

**MARSHAL'S OFFICE – CITY COURT OF HAMMOND  
HAMMOND, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **DEC 07 2011**

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
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 For the Year Ended June 30, 2011

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# Durnin & James

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November 21, 2011

## Independent Auditor's Report

The Honorable V. Gordon Anderson, Jr.  
Marshal, City Court of Hammond  
Hammond, Louisiana

We have audited the accompanying financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Marshal's Office -- City Court of Hammond, a component unit of the City of Hammond, Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the Marshal's Office -- City Court of Hammond's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Marshal's Office -- City Court of Hammond's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and the aggregate remaining fund information of the Marshal's Office -- City Court of Hammond as of June 30, 2011, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2011, on our consideration of the Marshal's Office -- City Court of Hammond's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the

basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Respectfully submitted,

*Durnin & James, CPAs*

Durnin & James, CPAs  
(A Professional Corporation)

**Required Supplemental Information (Part I)**

**Management's Discussion and Analysis**

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2011

**Introduction**

The Marshal's Office of the City Court of Hammond (the "Marshal's Office") is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments* (hereinafter referred to as GASB 34), and related standards. Please read the following in conjunction with the Marshal's Office's financial statements and footnotes, which follow this section.

**Financial Highlights**

- At June 30, 2011, the Marshal's Office net assets are \$146,356. Of this amount, \$125,844 (unrestricted net assets) may be used to meet the Marshal's Office ongoing obligations. This amount increased by \$15,546, or 11.88% from the prior year.
- Total revenues for the Marshal's Office decreased by \$31,702, or 3.82%, from the 2009-2010 fiscal year.
- For the year ended June 30, 2011, total expenses for the Marshal's Office decreased by \$89,616, or 10.27%, from the prior year.

**Overview of Annual Financial Report**

Management's Discussion and Analysis ("MD&A") serves as an introduction to the basic financial statements and supplementary information. The MD&A presents an overview of management's examination and analysis of the Marshal's Office's financial condition and performance.

The financial statements report information of the Marshal's Office using full accrual accounting methods similar to those used in the private business sector. Financial statements include the Statement of Net Assets and the Statement of Activities. The Statement of Net Assets provides information about the nature and amount of the Marshal's Office's resources and obligations at year-end, and provides a basis for evaluating the capital structure of the Marshal's Office and assessing the liquidity and financial flexibility of the Marshal's Office.

The Statement of Activities accounts for the revenues and expenses for the fiscal year, and provides information on how net assets changed during the year.

The notes to the financial statements provide required disclosures essential to an understanding of the financial statements. The notes present information about the Marshal's Office's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule, key information schedules on operations of the Marshal's Office, and schedules detailing audit findings and management response.

**Financial Analysis**

The purpose of financial analysis is to help determine whether the financial position of the Marshal's Office is improved because of the current year's activities. In this analysis, data from two of the basic financial statements, the Statement of Net Assets and the Statement of Activities, are presented below in condensed format. These

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2011

statements report the net assets, the difference between assets and liabilities, and the change in net assets, which provides information for indicating the financial condition of the Marshal's Office.

**Condensed Statement of Net Assets**

	Governmental Activities			
	2011	2010	\$ Change	% Change
<b>Assets:</b>				
Current and Other Assets	\$ 157,644	\$ 129,727	\$ 27,917	21.52%
Prepaid Insurance	9,893	9,893	-	0.00%
Capital Assets	48,525	79,156	(30,631)	-38.70%
Total Assets	<u>\$ 216,062</u>	<u>\$ 218,776</u>	<u>\$ (2,714)</u>	-1.24%
<b>Liabilities:</b>				
Current Liabilities	\$ 33,065	\$ 39,917	\$ (6,852)	-17.17%
Non-Current Liabilities	36,641	48,049	(11,408)	-23.74%
Total Liabilities	<u>\$ 69,706</u>	<u>\$ 87,966</u>	<u>\$ (18,260)</u>	-20.76%
<b>Net Assets:</b>				
Invested in Capital Assets	\$ 20,512	\$ 35,136	\$ (14,624)	-41.62%
Unrestricted	125,844	95,674	30,170	31.53%
Total Net Assets	<u>\$ 146,356</u>	<u>\$ 130,810</u>	<u>\$ 15,546</u>	11.88%

The Marshal's Office assets exceeded its liabilities at the close of the most recent fiscal year by \$146,356 (net assets). Of this amount, \$125,844 is unrestricted net assets.

A portion of the Marshal's Office net assets (14.02 percent) reflects its investment in capital assets (e.g., equipment, vehicles, furniture, etc.) less any related debt used to acquire those assets that is still outstanding. The Marshal's Office uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The remaining balance of unrestricted net assets (\$125,844) may be used to meet the Marshal's Office ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Marshal's Office is able to report positive balances in both categories of net assets. The same situation held true for the prior fiscal year.

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2011

**Condensed Statement of Activities**

	Governmental Activities			
	2011	2010	\$ Change	% Change
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 204,609	\$ 224,506	\$ (19,897)	-8.86%
General Revenues:				
Contribution - City of Hammond	467,190	467,190	-	0.00%
Other	126,418	138,223	(11,805)	-8.54%
Total Revenues	<u>798,217</u>	<u>829,919</u>	<u>(31,702)</u>	-3.82%
<b>Expenses:</b>				
Salaries and Related Benefits	617,383	697,603	(80,220)	-11.50%
Operating and Other Charges	132,172	141,517	(9,345)	-6.60%
Interest on Debt Service	2,485	2,056	429	20.87%
Depreciation	30,630	31,110	(480)	-1.54%
Total Expenses	<u>782,670</u>	<u>872,286</u>	<u>(89,616)</u>	-10.27%
Change in Net Assets	15,547	(42,367)	57,914	-136.70%
<b>Net Assets:</b>				
Beginning of Year, Originally Stated	130,809	175,415	(44,606)	-25.43%
Prior Period Adjustment	-	(2,239)	2,239	-100.00%
Beginning of Year, Restated	<u>130,809</u>	<u>173,176</u>	<u>(42,367)</u>	-24.46%
End of Year	<u>\$ 146,356</u>	<u>\$ 130,809</u>	<u>\$ 15,547</u>	11.89%

For the year ended June 30, 2011, revenues from charges for services decreased by \$19,897 or 8.86% from the prior year. This is attributable to a decrease in traffic tickets. Contributions from the City of Hammond for the current year remained the same compared to the prior year amount. Other revenues decreased by \$11,805 or 8.54% from the prior year. Most of this is attributable a decrease in Hammond City Court Costs.

Salaries and related benefits during the current year decreased by \$80,220, or 11.5%, over the amount from last year. This is attributable to the reduction of two full-time deputies to part-time and laying off one deputy.

Operating and other charges during the current year decreased by \$9,345, or 6.6%, from the prior year amount. The majority of this is due to a decrease in insurance premiums and a decrease in transport expenses, supplies and education, and training expenses.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Marshal's Office, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Marshal's Office can be divided into two categories: governmental funds and fiduciary funds.



**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2011

*Governmental Funds*

Governmental funds are used to account for most of the Marshal's Office basic services as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Marshal's Office general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Marshal's Office programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located on Exhibits A and B.

The Marshal's Office maintains only one governmental fund, the General Fund. Information is presented on the General Fund on Exhibits C, D, E, & F of this report.

As of the end of the current fiscal year, the Marshal's Office General Fund reported an ending fund balance of \$104,968. The Marshal's Office has followed the recommendation from its auditors to retain a reasonable surplus in the General Fund for unforeseen future emergencies such as natural disasters, decrease in economic conditions, emergency capital outlay requirements, and other similar conditions.

*Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Marshal's Office's other programs. The basis of accounting used for fiduciary funds is the modified accrual basis of accounting. The Marshal's Office only fiduciary fund is the Civil Agency Fund. The basic fiduciary fund financial statements can be found on Exhibits G and H of this report.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages indicated in the table of contents.

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2011

**Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found beginning on Schedule 1.

- A. Budgetary Comparison Schedule – The Marshal's Office adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget, beginning on Schedule 1.
- B. Analysis of Significant Budget Variances in the General Fund:
  - 1. Revenues:
    - a. Revenues from criminal court costs decreased by \$891 over the amount originally budgeted. This is due to a decrease in the number of traffic tickets issued during the current fiscal year and non-payments of fines.
    - b. Revenues from other sources increased by \$127. This is attributable to an increase in interest income
  - 2. Expenditures:
    - a. Salaries and related benefits were less than originally budgeted by \$9,914. This was due in part to Staff reductions (two deputies reduced to part-time and one deputy laid off.) This reduction is partially offset by the promotion of another deputy.
    - b. Another cost that was in excess of the original budgeted amount for the fiscal year was insurance. This was due to an increase in insurance premiums.

**Capital Assets**

The Marshal's Office investment in capital assets for its governmental activities as of June 30, 2011 amounts to \$48,525 (net of accumulated depreciation). This investment in capital assets includes equipment, furniture, and fixtures. The recording of \$30,630 in depreciation causes the total \$30,630 decrease in the Marshal's Office investment in capital assets for the current fiscal year. Additional information on the Marshal's Office capital assets can be found in Note 5 of this report.

**Economic Factors and Next Year's Budget and Rates**

For fiscal year ending June 30, 2012, the budgeted revenue from the City of Hammond will be \$477,190. The Tangipahoa Parish Council reimbursement for deputy expenses will remain the same for the 2011-2012 fiscal year.

By the end of the June 30, 2011 fiscal year, the unreserved fund balance in the General Fund was \$137,185. There is no surplus or deficit budgeted for the fiscal year ending June 30, 2012.

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2011

**Requests for Information**

This financial report is designed to provide a general overview of the Marshal's Office finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Marlene Hinshaw, Deputy Marshal / Marshal's Office, 303 East Thomas Street, Hammond, Louisiana, 70401.

## **Basic Financial Statements**

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Statement of Net Assets  
June 30, 2011

Exhibit A

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 130,174
Accrued Interest Receivable	1,574
Civil Fees Receivable	-
Due from Other Governments	25,896
Prepaid Insurance	9,893
Capital Assets, Net of Accumulated Depreciation	<u>48,525</u>
 Total Assets	 <u>\$ 216,062</u>
<b>Liabilities</b>	
Accounts Payable	\$ -
Salaries and Benefits Payable	20,459
Capital Leases Payable	6,949
Promissory Notes Payable	5,657
Non-Current Liabilities:	
Accrued Compensated Absences	21,234
Promissory Notes Payable	<u>15,407</u>
 Total Liabilities	 <u>\$ 69,706</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	\$ 20,512
Unrestricted	<u>125,844</u>
 Total Net Assets	 <u>\$ 146,356</u>

The accompanying notes are an integral part of this statement.

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
**Statement of Activities**  
**For the Year Ended June 30, 2011**

Exhibit B

		<u>Program Revenues</u>		<u>Change in</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Net Assets</u>
		<u>Services</u>	<u>Grants</u>	<u>Net (Expense)</u>
				<u>Revenue</u>
<b>Governmental Activities:</b>				
General Government	\$ 749,555	\$ 204,609	\$ -	\$ (544,946)
Interest on Debt Service	2,485	-	-	(2,485)
Depreciation Expense	30,630	-	-	(30,630)
Total Expenses	<u>\$ 782,670</u>	<u>\$ 204,609</u>	<u>\$ -</u>	<u>(578,061)</u>
<b>General Revenues:</b>				
City of Hammond Appropriations				467,190
Intergovernmental Revenues				83,295
On-Behalf Payments from State				41,750
Interest Earned				<u>1,373</u>
Total General Revenues				<u>593,608</u>
Change in Net Assets				15,547
Net Assets - Beginning of the Year				<u>130,809</u>
Net Assets - End of the Year				<u>\$ 146,356</u>

The accompanying notes are an integral part of this statement.

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Governmental Fund Balance Sheet  
June 30, 2011

Exhibit C

	<u>General Fund</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 130,174
Accrued Interest Receivable	1,574
Civil Fees Receivable	-
Due from Other Governments	<u>25,896</u>
Total Assets	<u>\$ 157,644</u>
<b>Liabilities and Fund Balance</b>	
Liabilities:	
Accounts Payable	\$ -
Salaries and Benefits Payable	<u>20,459</u>
Total Liabilities	20,459
Fund Balance:	
Unassigned	<u>137,185</u>
Total Fund Balance	<u>137,185</u>
Total Liabilities and Fund Balance	<u>\$ 157,644</u>

The accompanying notes are an integral part of this statement.

**Marshal's Office – City Court of Hammond  
Hammond, Louisiana**

Exhibit D

Reconciliation of the Governmental Fund Balance Sheet to the  
Government-Wide Statement of Net Assets  
For the Year Ended June 30, 2011

<b>Total Fund Balances, Governmental Funds (Exhibit C)</b>	<b>\$</b>	<b>137,185</b>
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Governmental Capital Assets, Net of Depreciation		48,525
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Prepaid insurance is not accrued and is therefore not reported in the governmental funds.

Prepaid Insurance		9,893
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Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:

Capital Lease Obligations		(6,949)
Promissory Note Payable		(21,064)
Accrued Compensated Absences		<u>(21,234)</u>

<b>Net Assets of Governmental Activities (Exhibit A)</b>	<b>\$</b>	<b><u>146,356</u></b>
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The accompanying notes are an integral part of this statement.



**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Statement of Governmental Fund Revenues, Expenditures, and  
Changes in Fund Balance  
For the Year Ended June 30, 2011

Exhibit E

	<u>General Fund</u>
<b>Revenues:</b>	
Criminal Court Fees	\$ 204,609
City of Hammond Appropriations	467,190
Intergovernmental	83,295
On-Behalf Payments by State	41,750
Interest Earned	<u>1,373</u>
Total Revenues	798,217
<b>Expenditures:</b>	
General Government:	
Salaries & Related Benefits:	
Marshal	40,351
Deputies	410,739
Payroll Taxes	41,794
Retirement Contributions	64,219
Hospitalization Insurance	58,233
Automobile	30,289
Computer Maintenance	2,125
Insurance	55,017
Office Supplies and Telephone	21,006
Legal and Accounting	13,103
Other Expenditures	10,632
Capital Outlay	-
Debt Service	<u>18,492</u>
Total Expenditures	<u>766,000</u>
Excess (Deficiency) of Revenues over Expenditures	32,217
<b>Fund Balance - Beginning of the Year</b>	<u>104,968</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 137,185</u>

The accompanying notes are an integral part of this statement.

**Marshal's Office – City Court of Hammond  
Hammond, Louisiana**

Exhibit F

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and  
Changes in Fund Balance to the Government-Wide Statement of Activities  
For the Year Ended June 30, 2011

<b>Net Change in Fund Balances, Governmental Funds (Exhibit E)</b>	<b>\$</b>	<b>32,217</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay		-
Depreciation Expense		(30,630)

Governmental funds expense insurance payments when paid. In the statement of activities, only the portion applicable to the current year is expensed. The remaining is recorded in the statement of net assets as prepaid insurance.

Prior Year Prepaid Insurance		(9,893)
Current Year Prepaid Insurance		9,893

Lease proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Paying lease payments is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments:

Proceeds		-
Repayments		16,007

Annual changes in accrued compensated absences are not recorded in the governmental funds. In the statement of activities, these changes are recorded against current year payroll expenses.

Change in Accrued Compensated Absences		<u>(2,047)</u>
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<b>Change in Net Assets of Governmental Activities (Exhibit B)</b>	<b>\$</b>	<b><u>15,547</u></b>
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The accompanying notes are an integral part of this statement.

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Statement of Fiduciary Net Assets  
June 30, 2011

Exhibit G

	<u>Civil Agency Fund</u>
<b>Assets</b>	
Cash on Hand and in Banks	\$ 17,668
Total Assets	<u>\$ 17,668</u>
<b>Liabilities</b>	
Due to Others	\$ 17,668
Total Liabilities	<u>\$ 17,668</u>
<b>Net Assets</b>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Notes to the Financial Statements  
For the Year Ended June 30, 2011

**Narrative Profile**

The Marshal's Office – City Court of Hammond (hereinafter referred to as the “Marshal”) is separate and apart from the City Court of Hammond and was created under the authority of Louisiana Revised Statutes (RS) 13:1871-2512. The purpose of the Marshal is to execute the orders and mandates of the City Court of Hammond, to include making arrests, preserving the peace, processing judgments and garnishments, and similar functions. The Marshal has jurisdiction within the Seventh Ward of Tangipahoa Parish. The Marshal presently employs fourteen people to include the Marshal, four Clerical Deputies, four full-time Deputy Marshals, three part-time Deputy Marshals, and one Juvenile Officer. The Marshal presently maintains an office in the Hammond City Hall building. Revenues for the Marshal include court costs assessed on all criminal cases handled by the City Court of Hammond and appropriations from the City of Hammond. Revenues are used in defraying the costs of operating the office. Major expenditures of the Marshal include salaries and related benefits, automobile expenditures, insurance, and general office expenditures.

The accounting and reporting policies of the Marshal conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of RS 24:513 and to the guidance set forth in the *Louisiana Governmental Audit Guide*, and in the industry audit guide, *Audits of State and Local Governmental Units*.

**1. Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The Marshal is an independently elected official; however, the Marshal is fiscally dependent on the City of Hammond. The City of Hammond maintains and operates the building in which the office is located and provides funds for salaries, equipment, and expenditures of the office. Because the Marshal is fiscally dependent on the City of Hammond, the Marshal was determined to be a component unit of the City of Hammond, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Marshal and do not present information on the City of Hammond, the general governmental services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. Fund Accounting**

The Marshal uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain office functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

***Governmental Fund***

Governmental funds account for all of the Marshal's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2011

assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the Marshal. The following is the Marshal's governmental fund:

General Fund – the general operating fund of the Marshal and accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose, provided it is expended or transferred in accordance with state and federal laws and according to the Marshal's policy.

*Fiduciary Fund*

Fiduciary fund reporting focuses on net assets and changes in net assets. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, these funds have no measurement focus, but use the modified accrual basis of accounting. The following is the Marshal's fiduciary fund:

Civil Agency Fund – This fund is used to account for assets held by the Marshal as an agent for individuals or private organizations.

C. Measurement Focus / Basis of Accounting

*Basic Financial Statements – Government-Wide Financial Statements*

The statement of net assets and the statement of activities display information about the office as a whole. These statements include all the non-fiduciary activities of the Marshal with most of the interfund activities removed. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues. The Marshal does not allocate indirect expenses.

*Basic Financial Statements – Governmental Funds*

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e.,

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2011

expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the operations of the Marshal.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Marshal considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Criminal Court fees, appropriations from the City of Hammond, and interest revenue are recorded when due. Substantially all other revenues are recorded when received.

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Reconciliation – Explanation of differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

**D. Budgets and Budgetary Accounting**

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual budgets of state and local governments, and have a keen interest in following the actual financial process of their governments over the course of the year. Many governments revise their budgets over the course of the year for a variety of reasons. As a result, the Marshal's original budget is shown along with the comparison of the final budget and actual results.

The Marshal follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The fiscal officer prepares a proposed budget and submits this budget to the Marshal no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. The proposed budget for the year ended June 30, 2011, was published on May 10, 2010.

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2011

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. A public hearing was held on the proposed budget for the year ended June 30, 2011, on June 10, 2010.
4. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted. The proposed budget for the year ended June 30, 2011, was adopted on June 10, 2010.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Marshal. The budget for the year ended June 30, 2011, was amended on June 30, 2010, October 25, 2010, April 21, 2011, and June 20, 2011.
6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Marshal.
7. The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

**E. Cash, Cash Equivalents, and Investments**

Cash includes cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the Marshal may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the City Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash. Investments for the Marshal are reported at cost.

**F. Inventory**

The Marshal utilizes the "purchase method" of accounting for supplies, whereby expendable operating supplies are recognized as expenditures when purchased. The Marshal did not record any inventory at June 30, 2011, as the amount is immaterial.

**G. Prepaid Items**

The Marshal recognizes expenditures for insurance and similar services extending over more than one accounting period when paid.

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2011

**H. Capital Assets**

Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the Marshal's capitalization threshold of \$500 is met. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value at the date of donation.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

**I. Compensated Absences**

All full-time employees of the Marshal who are paid on a salary basis and work a regular full-time workweek earn sick leave and annual leave. Employees with between 6 months and one year of service earn five days of sick leave. Employees with one year or more of service earn twelve days of sick leave each year. Employees may accumulate all unused sick leave but the employee's right to unused sick leave benefits does not vest. Therefore, the Marshal recognizes an expenditure for sick leave benefits when payments are made to employees.

Employees earn from one to four weeks of annual leave each year depending on length of service. Employees are required to take a minimum of one week of vacation during each year. However, an employee may accumulate up to one week of annual leave each year up to a maximum of thirty days. All days accumulated in excess of thirty days are lost. The employee's rights to annual leave vests with a maximum of thirty days unused annual leave payable upon termination.

**J. Fund Equity**

*Government-Wide Net Assets:*

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net assets – Consists of net assets with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or by (b) laws through constitutional provisions or enabling legislation.
3. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."



**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2011

*Governmental Fund Balances:*

On July 1, 2010, the Marshal adopted GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which significantly changed the reporting of fund balance in the balance sheets of governmental type funds.

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-Spendable Fund Balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for specific purposes because of state statutes, state or federal laws, or externally imposed conditions by grantors, creditors, or citizens.
3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action by the Marshal.
4. Assigned Fund Balance – amounts that are constrained by the Marshal's intent that they will be used for specific purposes. The Marshal is the only individual authorized to assign amounts for a specific purpose and is the highest level of decision-making. Therefore, amounts must be reported as committed.
5. Unassigned Fund Balance – all amounts not included in other spendable classifications.

The Marshal considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The Marshal also considers committed fund balances to be spent first when other unrestricted fund balances classifications are available for use.

K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. Stewardship, Compliance and Accountability**

A. Budgetary Information

An annual budget is adopted on a basis consistent with generally accepted accounting principles for the General Fund. All annual appropriations lapse at fiscal year end. The Marshal was in compliance with the Local Budget Act. See Note 1 for the procedures the Marshal follows regarding budgets and budgetary accounting.

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2011

**B. Deposits, Investment Laws and Regulations**

In accordance with state law, all uninsured deposits of in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3 regarding cash, cash equivalents, and investments, the Marshal was in compliance with the deposit and investment laws and regulations.

**C. Deficit Fund Equity**

As of June 30, 2011, no funds of the Marshal had deficit fund equities.

**3. Cash and Cash Equivalents**

As reflected on Exhibit A, the Marshal has cash and cash equivalents totaling \$130,174 at June 30, 2011. Total cash from fiduciary responsibilities not reported on the government-wide financial statements was \$17,668. These deposits are stated at cost, which approximates market.

**Custodial Credit Risk** – Custodial credit risk is the risk that in the event of a bank failure, the Marshal's deposits may not be returned to it. The Marshal does not have a deposit policy for custodial credit risk. As of June 30, 2011, none of the Marshal's bank balance of \$183,297 was exposed to custodial credit risk.

Under state law, deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities, plus the federal deposit insurance, must at all times equal the amount on deposit with the fiscal agent. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

As of June 30, 2011, the Marshal was in compliance with state law, which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

**4. Due from Other Governments**

Amounts due from other governmental units at June 30, 2011 consisted of the following:

Hammond City Court	\$ 18,955
Tangipahoa Parish Council	6,941
Less: Allowance for Uncollectible Accounts	<u>-</u>
	<u>\$ 25,896</u>

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2011

**5. Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2011 is as follows:

Governmental Activities	Balance 07/01/10	Additions	Deductions	Balance 06/30/11
Office Equipment	\$ 105,860	\$ -	\$ -	\$ 105,860
Software	38,625	-	-	38,625
Automobiles	94,521	-	-	94,521
Total	239,006	-	-	239,006
Accumulated Depreciation:				
Office Equipment	92,651	6,101	-	98,752
Software	20,700	5,975	-	26,675
Automobiles	46,500	18,554	-	65,054
Total	159,851	30,630	-	190,481
Capital Assets, Net	<u>\$ 79,155</u>	<u>\$ (30,630)</u>	<u>\$ -</u>	<u>\$ 48,525</u>

Capital assets are stated at cost, less an allowance for accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives as follows:

Description	Useful Life
Furniture & Equipment	5 Years
Radios	10 Years
Software	5 Years
Vehicles	5 Years

**6. Accounts, Salaries, and Other Payables**

Accounts payable at June 30, 2011 consisted of the following:

Payroll and Related Liabilities	\$ 20,459
Accounts Payable	-
Total	<u>\$ 20,459</u>

**7. Employees Pension Plan (Municipal Employees' Retirement System)**

The Marshal provides pension benefits for all of its full-time employees through a joint contributory, defined benefit pension plan in the statewide Louisiana Municipal Employees' Retirement System of Louisiana (the "System"). The Municipal Employees' Retirement System, State of Louisiana, is the administrator of a cost-sharing, multiple-employer plan.

The Municipal Employees' Retirement System, State of Louisiana, was established by Act #356 of the 1954 regular session of the Legislature of the State of Louisiana, to provide retirement benefits to employees of all

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2011

incorporated villages, towns, and cities within the state, which did not have their own retirement system and which elected to become members of the System.

The System is administered by a Board of Trustees composed of nine members, six of whom shall be active and contributing members of the System with at least ten years creditable service, elected by the members of the System; one of whom shall be the president of the Louisiana Municipal Association who shall serve as an ex-officio member during his tenure; one of whom shall be the Chairman of the Senate Retirement Committee; and one of whom shall be the Chairman of the House Retirement Committee of the Legislature of Louisiana.

Act #569 of the year 1968 established by the Legislature of the State of Louisiana provides an optional method for municipalities to cancel Social Security and come under supplementary benefits in the Municipal Employees' Retirement System, effective on and after June 30, 1970.

Effective October 1, 1978, under Act #788, the "regular plan," and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B." Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan. The Marshal is a member of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Funding Policy:

Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 14.25% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except in Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B proportionately on the salaries of the active members of each plan.

The contribution requirements of plan members and the Marshal are established and may be amended by state statute. As provided by LRS 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

Trend Information:

<u>Fiscal Year - June 30,</u>	<u>Required Contribution</u>	<u>Percentage Contribution</u>
2009	\$ 108,450	100%
2010	\$ 117,861	100%
2011	\$ 103,128	100%

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2011

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

**8. On-Behalf Payments for Salaries and Benefits**

The Marshal follows GASB Statement No. 24, *"Accounting and Financial Reporting for Certain Grants and Other Financial Assistance."* This standard requires the Marshal to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to the Marshal and deputies.

Supplementary salary payments are made by the State directly to the Marshal and deputies. The Marshal is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State. For the fiscal year ended June 30, 2011, the State paid \$41,750 in supplemental salary payments to the Marshal and deputies.

**9. Deferred Compensation Plan**

The Marshal offers its employees The Delaware Management Company, Inc. Section 457, Deferred Compensation Plan, a deferred compensation plan created in accordance with Internal Revenue Code Section 457, as revised June 1, 2000. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights shall be held for the exclusive benefit of participants and their beneficiaries.

At June 30, 2011, \$21,000 was applicable to employees of the Marshal.

**10. Changes in Long-Term Debt**

The following is a summary of debt transactions for the Marshal for the year ended June 30, 2011:

Type of Debt	Balance at 07/01/10	Issuances	Payments	Balance at 06/30/11	Due Within One Year
Capital Lease	\$ 17,680	\$ -	\$ 10,731	\$ 6,949	\$ 6,949
Promissory Notes	26,340	-	5,276	21,064	5,657
Total	<u>\$ 44,020</u>	<u>\$ -</u>	<u>\$ 16,007</u>	<u>\$ 28,013</u>	<u>\$ 12,606</u>

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2011

*Capital Lease Obligation:*

\$29,391 Capital Lease Obligation payable to Ford Morot Credit Company dated 06/05/09; Due in 36 monthly installments of \$887.81; With interest at 5.85% (Payable from the excess revenues of the General Fund).

\$ 6,949

*Promissory Notes:*

\$14,592 Promissory Note payable to First Community Bank dated 11/19/09; Due in 60 monthly installments of \$289.59; With interest at 6.99% (Payable from the excess revenues of the General Fund).

\$ 10,532

\$14,592 Promissory Note payable to First Community Bank dated 11/19/09; Due in 60 monthly installments of \$289.59; With interest at 6.99% (Payable from the excess revenues of the General Fund).

\$ 10,532

The annual requirements to amortize all debt outstanding at June 30, 2011, including interest payments of \$2,835 are as follows:

<u>Year Ended</u>	<u>\$29,391 Capital Lease</u>	<u>\$14,592 Promissory Note</u>	<u>\$14,592 Promissory Note</u>	<u>Totals</u>
June 30, 2012	\$ 7,102	\$ 3,475	\$ 3,475	\$ 14,052
June 30, 2013	-	3,475	3,475	6,950
June 30, 2014	-	3,475	3,475	6,950
June 30, 2015	-	1,448	1,448	2,896
	7,102	11,873	11,873	30,848
Interest Portion	(153)	(1,341)	(1,341)	(2,835)
	<u>\$ 6,949</u>	<u>\$ 10,532</u>	<u>\$ 10,532</u>	<u>\$ 28,013</u>

**Required Supplemental Information (Part II)**

**Budgetary Comparison Schedule**

**Marshal's Office – City Court of Hammond  
Hammond, Louisiana**

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget (GAAP Basis) and Actual – General Fund  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Criminal Court Fees	\$ 225,510	\$ 205,500	\$ 204,609	\$ (891)
City of Hammond Appropriations	529,790	467,190	467,190	-
Intergovernmental	84,000	83,400	83,295	(105)
On Behalf Payments by State	54,000	41,750	41,750	-
Interest Earned	<u>1,000</u>	<u>1,500</u>	<u>1,373</u>	<u>(127)</u>
Total Revenues	894,300	799,340	798,217	(1,123)
<b>Expenditures:</b>				
General Government:				
Salaries & Related Benefits:				
Marshal	42,500	41,000	40,351	649
Deputies	452,800	413,250	410,739	2,511
Payroll Taxes	52,000	43,300	41,794	1,506
Retirement Contributions	63,000	65,000	64,219	781
Hospitalization Insurance	69,000	62,700	58,233	4,467
Automobile	45,600	33,500	30,289	3,211
Computer Maintenance	7,700	7,490	2,125	5,365
Insurance	69,400	51,200	55,017	(3,817)
Office Supplies and Telephone	26,000	22,500	21,006	1,494
Legal and Accounting	31,100	18,000	13,103	4,897
Other Expenditures	18,600	19,900	10,632	9,268
Capital Outlay	1,600	2,500	-	2,500
Debt Service	<u>15,000</u>	<u>19,000</u>	<u>18,492</u>	<u>508</u>
Total Expenditures	894,300	799,340	766,000	33,340
Excess (Deficiency) of				
Revenues over Expenditures	-	-	32,217	32,217
<b>Fund Balance - Beginning of the Year</b>	<u>-</u>	<u>-</u>	<u>104,968</u>	<u>104,968</u>
<b>Fund Balance - End of the Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,185</u>	<u>\$ 137,185</u>

See auditor's report



**Other Independent Auditor's Reports and  
Findings and Recommendations**

# Durnin & James

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A PROFESSIONAL CORPORATION  
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November 21, 2011

Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

The Honorable V. Gordon Anderson, Jr.  
Marshal, City Court of Hammond  
Hammond, Louisiana

We have audited the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Marshal's Office – City Court of Hammond, a component unit of the City of Hammond, Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the Marshal's Office – City Court of Hammond's basic financial statements, and have issued our report thereon dated November 21, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Marshal's Office – City Court of Hammond's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Marshal's Office – City Court of Hammond's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Marshal's Office – City Court of Hammond's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Marshal's Office – City Court of Hammond's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests

Marshal's Office, City Court of Hammond  
Hammond, Louisiana

disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

*Durnin & James, CPAs*

Durnin & James, CPAs  
(A Professional Corporation)

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
Schedule of Current Year Audit Findings and Responses  
For the Year Ended June 30, 2011

**Internal Control over Financial Reporting**

None

**Compliance and Other Matters**

None

**Marshal's Office – City Court of Hammond**  
**Hammond, Louisiana**  
 Summary Schedule of Prior Audit Findings  
 For the Year Ended June 30, 2011

<u>Ref.#</u>	<u>Fiscal Year Findings Occurred</u>	<u>Description of Findings</u>	<u>Finding Resolved</u>	<u>Corrective Action Taken</u>
<u>Internal Control over Financial Reporting</u>				
None				
<u>Compliance and Other Matters</u>				
09-02	June 30, 2009	Compliance with Local Government Budget Act	Yes	Unfavorable budget vs. actual variances less than 5%

*Note: This schedule has been prepared by the management of the Marshal's Office – City Court of Hammond.*